

Appendix D

License Agreement

DIR-SDD-2133

THIS LICENSE AGREEMENT (this "Agreement") is made effective as of _____ (the "Effective Date") by and between NL Systems, LLC, dba Encryptics ("Encryptics") a Delaware Company with its principal offices located at 5566 W. Main St, Frisco, TX 75033, and _____ ("Licensee") with its principal offices located at _____. Encryptics and Licensee are collectively referred to herein as the "Parties."

1. Limited License; Set-Up.

(a) Subject to the terms and conditions of DIR Contract No. DIR-SDD-2133 and this Agreement, Encryptics hereby grants to Licensee a non-exclusive, non-transferrable, and non-sub-licensable License (as defined below) to use Encryptics' data protection software identified on Exhibit A (collectively, the "Licensed Software") for the Licensee's business purposes. For the purposes of this Agreement, a "License" is defined as a single email account registered with Encryptics that can be used on up to three personal devices that utilize software currently supported by Encryptics.

(b) "Authorized Licensed User" means a user that holds a valid license to use the Licensed Software, an application that allows the creation of a .safe file to transport or store digital information including, but not limited to, transmissions via email, FTP, server, multimedia or any other means of digital transport.

(c) "Free Read and Reply User" means a user that has received only a limited license to decrypt, view and reply to messages sent by an Authorized Licensed User. In the Free Read and Reply version, all reply emails sent back to the sender are fully encrypted.

(d) Encryptics will provide Licensee access to the Licensed Software within ten (10) business days after the later of (i) the Effective Date and (ii) Encryptics' receipt of all necessary set-up information from Licensee.

(e) Encryptics will set-up the Licensed Software based on the information provided by Licensee on the Encryptics Information worksheet as specifically set forth in Exhibit B.

(f) The Licensed Software will be deemed to be activated when payment has been received by Encryptics, and when the license key(s) have been provided by Encryptics to the end user(s).

(g) In the event Encryptics updates the Licensed Software during the term of this Agreement due to bug fixes in the software or changes in applicable law ("Updates"), Encryptics shall provide such Updates to Licensee within a commercially reasonable time and for such fees as it charges its other customers.

(h) Licensee agrees that it has not relied upon the availability of future versions of the Licensed Software, additional features in the Licensed Software, any or the future release of other software products in executing this Agreement.

2. Payment Terms.

Payment Terms are detailed in DIR Contract No. DIR-SDD-2133, Appendix A, Section 7. Purchase Orders, Invoices and Payments.

3. Term; Termination.

Termination Terms are detailed in DIR Contract No. DIR-SDD- 2133, Appendix A, Section 10.B.
Termination.

4. License Restrictions.

(a) To the extent allowable by DIR Contract No. DIR-SDD-2133, during the term of this Agreement and thereafter, Licensee agrees not to sell, assign, or disclose any part of the Licensed Software to any other third-party without the prior written consent of Encryptics.

(b) Licensee agrees not to modify in any way, duplicate, reverse engineer, copy, lend, sublease, delete, reprint, transpose to other media, resell, distribute, or otherwise reproduce or republish in any form or by any means the Licensed Software or any and all components thereof (including any logos or trademarks), except as otherwise specifically provided in this Agreement.

(c) In the event an Authorized User leaves the employ of Licensee or Licensee ceases to provide services to Authorized User, Licensee shall inactive user in the Administrative Portal or Licensee must notify Encryptics to have the Authorized User's access inactivated to ensure that such user will no longer have access to the Licensed Software.

(d) If the Licensed Software becomes, or is likely to become, the subject of a claim of infringement of a copyright or patent, Encryptics may require that Licensee discontinue its use. If any Licensed Software is held to infringe and the use of such Licensed Software are enjoined, Encryptics may, in its sole discretion, either (a) procure for Licensee the right to continue using such infringing or potentially infringing Licensed Software, or (b) replace the infringing or potentially infringing Licensed Software with non-infringing Licensed Software, or (c) modify the infringing or potentially infringing Licensed Software so it becomes non-infringing.

(e) Encryptics reserves the right at its sole discretion, to deny any Licensee the right to a License and/or license to become a Free Read and Reply User at any time, including, during the term of the this Agreement. In the event that Encryptics exercises its right to deny a Licensee access to the Licensed Software, Licensee is entitled to a refund of any prepaid License fees applicable to the period following the effective date of such termination. Notwithstanding the foregoing, in the event that Encryptics reasonably believes that the Licensed Software is being used by Licensee in violation of applicable law or government directive, Encryptics may deny Licensee the right to a License and/or license to become a Free Read and Reply User and the Licensee will not be entitled to a refund.

5. Reservation of Rights; Title to Licensed Software.

(a) Except for the rights expressly granted in this Agreement, Licensee acknowledges this Agreement does not transfer any intellectual property rights and that Encryptics owns all rights to the Licensed Software and any and all Updates. Encryptics retains all rights, title and interest (including patent rights, copyrights, trade secret rights and all other intellectual property rights) towards the (i) Licensed Software and all derivative works thereof (by whomever produced) and all related documentation and materials thereto, and (ii) all Encryptics marks, trademarks, service marks and/or registered marks.

(b) Title to the Licensed Software is reserved for Encryptics. As between Encryptics and Licensee, Licensee acknowledges and agrees that Encryptics is and shall remain the owner of the Licensed Software and any modifications, improvements and derivative works relating thereto. To the extent that Licensee

could claim any right in or to any modifications, improvements or derivative works, Licensee agrees to assign or cause to be assigned said rights to Encryptics.

(c) Licensee agrees not to remove, mutilate or destroy any copyright, patent notice, trademark, service mark, other proprietary markings or confidential legends placed on or within the Licensed Software.

6. Confidential Information. To the extent allowable under the Texas Public Information Act, any and all information and materials furnished by Encryptics to Licensee hereunder shall be considered to be confidential and proprietary of Encryptics (the "Confidential Information"). To the extent allowable by the Texas Public Information Act, Licensee will not disclose such confidential and proprietary information or materials to any third-party except as specifically permitted by this Agreement and shall use the same efforts to keep such information and materials confidential as it would use for its own confidential and proprietary information but in any event shall use no less than a reasonable standard of care in the protection of such information and materials. To the extent allowable by the Texas Public Information Act, Licensee acknowledges and agrees that any breach of confidentiality may cause irreparable damage and therefore Encryptics shall have the right to equitable and injunctive relief, and to recover the amount of damages incurred in connection with such unauthorized use. This provision regarding confidentiality and trade secrets shall survive the termination of this Agreement. Licensee shall inform all of its employees, agents, or consultants receiving the Confidential Information of the requirements of this paragraph and shall be liable for any violation of this Agreement by any such employees, agents, or consultants. Licensee shall promptly notify Encryptics upon discovery of any unauthorized use or disclosure of Confidential Information, or any other breach of this Agreement, and will cooperate with Encryptics in every reasonable way to help regain possession of such Confidential Information and prevent its future unauthorized use.

7. Disclaimer of Warranties. THE LICENSED SOFTWARE COVERED HEREBY IS DELIVERED "AS IS" AND THE EXPRESS WARRANTIES SET FORTH IN THIS AGREEMENT ARE IN LIEU OF ALL OTHER WARRANTIES EXPRESS OR IMPLIED, INCLUDING, BUT NOT LIMITED TO, ANY WARRANTIES OF MERCHANTABILITY OR FITNESS FOR A PARTICULAR PURPOSE.

8. Limitation on Liability.

Limitation on Liability terms are detailed in DIR Contract No. DIR-SDD-2133, Appendix A, Section 9.K. Limitation of Liability.

9. Export Controls. Licensee acknowledges that the Licensed Software is subject to U.S. export jurisdiction. Licensee agrees to comply with all applicable international and national laws that apply to the Licensed Software, including the U.S. Export Administration Regulations, as well as end-user, end-use and destination restrictions issued by the U.S. and other governments. Any violation of this Section 9, as determined solely by Encryptics, shall be deemed a material breach of this Agreement.

10. Governing Law; Exclusive Jurisdiction.

See DIR Contract No. DIR-SDD-2133, Appendix A, Section 4.F. Choice of Law.

11. Agreement. DIR Contract No. DIR-SDD-2133 and this Agreement constitute the entire Agreement between the parties with respect to the subject matter hereof and supersedes all prior and contemporaneous Agreements or communications. It shall not be modified except by a written agreement dated subsequent to the date of this Agreement and signed on behalf of Encryptics and Licensee by their respective duly authorized representatives. No waiver of any breach of any provision of this Agreement shall constitute a waiver of any prior, concurrent or subsequent breach of the same or any other provisions hereof, and no waiver shall be

effective unless made in writing and signed by an authorized representative of the waiving party. This Agreement may not be assigned by Licensee without Encryptics' prior written consent. No waiver of any breach shall be effective unless contained in a writing signed by both parties. This Agreement may be executed in one or more counterparts, each of which shall be deemed an original for all purposes, and together shall constitute one and the same agreement. In the event of a conflict between DIR Contract No. DIR-SDD-2133 and this agreement, the terms of DIR Contract No. DIR-SDD-2133 shall control. All notices given hereunder shall be sent to the Parties hereto at the addresses set forth on the signature page.

In witness whereof, the undersigned have duly executed this Agreement as of the date first set forth above.

NL Systems, LLC, dba Encryptics

[Licensee]

By: _____

By: _____

Name: _____

Name: _____

Title: _____

Title: _____